

Message Text

UNCLASSIFIED

PAGE 01 JAKART 15148 281019Z

43

ACTION COME-00

INFO OCT-01 EA-11 ISO-00 EB-11 OMB-01 DRC-01 RSC-01 /026 W

----- 108024

R 280905Z DEC 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 118

UNCLAS JAKARTA 15148

EO 11652: N/A

TAGS: BEXP ID

SUBJ: EXPORT PROMOTION QUESTIONNAIRE

REF: STATE 238765

1. SUMMARY. NIFED PRODUCT DEVELOPMENT ACTIVITIES, AS WELL AS OTHER PROGRAMS, ARE IN EARLY STAGE OF DEVELOPMENT AND HAVE NOT YET SHOWN SIGNIFICANT RESULTS. END SUMMARY

2. NATIONAL INSTITUTE FOR EXPORT DEVELOPMENT (NIFED) IS NEWISH INSTITUTION WITH WIDE RANGE OF PROGRAMS, OF WHICH PRODUCT DEVELOPMENT ONLY ONE. NIFED WAS CREATED BY PRESIDENTIAL DECREE IN MAY 1971. IT BEGAN TO APPROACH FULL STAFFING ABOUT A YEAR AGO, AND SEVERAL KEY OFFICIALS INCLUDING FIRST FULL-TIME DIRECTOR ASSUMED OFFICE ONLY IN RECENT MONTHS. ASSESSMENT OF NIFED PROGRAMS MUST BE ADVANCED WITH RESERVATIONS BECAUSE ALL ARE STILL EVLOVING AND NONE HAS HAD TIME TO SHOW SIGNIFICANT RESULTS.

3. WITH RESPECT TO EXPORT PROMOTION TECHNIQUES, NIFED APPEARS TO RELY CONSIDERABLY ON "MINI-FAIRS," WHICH ARE SMALL EXHIBITIONS ARRANGED AT THE REQUEST OF VISITING OVERSEAS BUYERS WHEN THEIR NUMBERS JUSTIFY THE EFFORT. NIFED OFFICIAL* CONSIDER RESPONSE TO THESE EXHIBITIONS QUITE SATISFACTORY. ONLY EXHIBITION SO FAR INITIATED BY NIFED ITSELF OF WHICH WE ARE AWARE WAS ONE IN JAKA*TA A FEW MONTHS BACK TO PROMOTE SILK MANUFACTUR*S. THIS EFFORT WAS UNEXPECTEDLY SUCCESSFUL: IT UNCOVERED A LATENT DOMESTIC DEMAND GREATER THAN COULD BE FULFILLED BY EXISTING PRODUCTION, SO THAT MANUFACTURES WERE UNABLE TO ACCEPT EXPORT

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 15148 281019Z

ORDERS. NIFED OFFICIALS SAY THIS EXPERIENCE HAS AFFECTED THEIR

THINKING ABOUT EXPORT PROMOTION STRATEGY.

4. NIFED OFFICIALS CONVEY IMPRESSION THAT PRODUCT DEVELOPMENT IS ONLY BEGINNING TO BE FULLY ACTIVE. EXCEPTIONS ARE SILK AND HANDICRAFTS PROJECTS ALREADY ONSTREAM. NIFED APPROACH, AT LEAST IN THEORY, IS TO WORK INITIALLY WITH EXPORTERS, THE GROUP WITH WHICH NIFED'S OTHER ACTIVITIES HAVE ALREADY FORMED WORKING RELATIONSHIP. NIFED AND ITS ADVISERS DO INTERVENE WITH PRODUCERS ON OCCASION, AS THEY DID*TO INTRODUCE NEW TECHNOLOGY IN SULAWESI'S SILK INDUSTRY (WIDER LOOMS, NEW DYES). NIFED SERVICES AVAILABLE TO ALL UPON REQUEST. INTERVIEWS DISCLOSED NO NIFED EFFORT TO SELECT OR CREATE FIRMS WITH WHICH TO WORK. NIFED SIMPLY TRIED TO IDENTIFY AND REACH THOSE ALREADY IN EXISTENCE WITH HELP OF LOCAL AUTHORITIES AND ITS OWN ON-THE-GROUND PERSONNEL.

5. A NUMBER OF CONSIDERATIONS IMPINGE ON SELECTION OF PRODUCTS FOR DEVELOPMENT. CERTAIN CATEGORIES HAVE BEEN IDENTIFIED AS HAVING HIGH POTENTIAL: SILK, CATTLE FEED, HANDICRAFTS, WOOD PRODUCTS, LIGHT MANUFACTURING, MARINE PRODUCTS, GARMENTS AND FOOTWEAR, HORTICULTURE. CONSIDERATION OF PRODUCT OPTIONS WITHIN THESE CATEGORIES HAS BEEN INSPIRED BY TRADITIONAL PRODUCTION, IMPLYING AVAILABILITY OF RELEVANT SKILLS AND RAW MATERIAL CONTENT. NIFED PHILOSOPHY HAS BEEN TO ADEPT THOSE PRODUCTS WHERE EXISTENCE OF EXPORT MARKET INDICATED THAT THEY COULD BE SOLD PROFITABLY ABROAD AND WHERE IT WAS BELIEVED PRODUCTION COULD BE EXPANDED TO SATISFY FOREIGN DEMAND. NIFED HAS NO ROLE IN EXTRACTIVE AND LARGE-SCALE INDUSTRY WHERE IT IS FELT THAT FOREIGN-INVESTOR OR OFFICIAL INTEREST ARE CREATING THE SORT OF MOMENTUM THAT NIFED SEEKS TO IMPART TO SMALL BUSINESS.

6. AT LEAST TO DATE IT APPEARS THAT NIFED HAS PROCEEDED IN LARGE PART BY RESPONDING TO EXPRESSIONS OF INTEREST BY POTENTIAL CUSTOMERS AND INVESTORS, RATHER THAN ITSELF ENGAGING IN MARKET RESEARCH AND INDEPENDENT MARKET DEVELOPMENT. IN MANY EXAMPLES DISCUSSED WITH EMBOFF IN RECENT INTERVIEW CUSTOMER INTEREST WAS JAPANESE, IN ORDER TO DEVELOP A COUNTERWEIGHT TO WHAT IS PERCEIVED AS EXCESSIVE DEPENDENCE ON THEM NIFED WOULD CLEARLY WELCOME AND MAKE EVERY EFFORT TO SERVICE EFFECTIVELY A GREATER VOLUME INQUIRIES FROM OTHER COUNTRIES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JAKARTA 15148 281019Z

GALBRAITH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973JAKART15148
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973123/aaaaacct.tel
Line Count: 108
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 238765
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 28 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28-Nov-2001 by cunninfx>; APPROVED <05-Feb-2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXPORT PROMOTION QUESTIONNAIRE
TAGS: BEXP, ID
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005